

Message Text

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ACTION NEA-09

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 6435

INFO AMCONSUL BOMBAY

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E. O. 11652: N/A

TAGS: ELAB, IN

SUBJ: PORT AND DOCK WORKERS STRIKE SETTLEMENT

REF: NEW DELHI 910

1. THE ALL-INDIA PORT STRIKE HAS BEEN SETTLED ON TERMS VIRTUALLY IDENTICAL TO THOSE OFFERED BY THE GOI PRIOR TO THE STRIKE. THE MAJOR CONCESSION TO THE UNIONS WAS A COMMITMENT BY THE GOI THAT THE PROMISED REVISION OF THE WAGE STRUCTURE WOULD BE RETROACTIVE TO JANUARY 1, 1974. THIS MATTER IS BEING STUDIED BY A GOVERNMENT-APPOINTED COMMITTEE OF THREE EXPERTS WHICH THE UNIONS REFUSED TO DEAL WITH AS A SUBSTITUTE FOR DIRECT NEGOTIATIONS. IN EFFECT, THIS COMMITTEE WAS DISREGARDED IN THE UNIONS' NEGOTIATIONS WITH THE MINISTRY OF SHIPPING AND TRANSPORT. THE COMMITTEE WOULD NOW APPEAR TO HAVE BEEN RELEGATED TO BEING NO MORE

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THAN AN ADVISORY BOARD TO THE GOVERNMENT.

2. FOR 1974, THE WORKERS WILL RECEIVE INTERIM RELIEF OF RS.300 AND FOR 1975 INTERIM RELIEF AT THE RATE OF RS. 50 PERMONTH. THE AGREEMENT PROVIDES THAT THE EXACT TREATMENT OF THIS INTERIM INCREASE UNDER THE GOI'S ANTI-INFLATIONARY COMPULSORY DEPOSIT SCHEME WILL BE DETERMINED WITHIN A MONTH. THIS NOTWITHSTANDING, HALF OF THE INTERIM RELIEF IS TO BE GIVEN TO THE WORKERS AS AN IMMEDIATE CASH PAYMENT.

3. THE INTERIM RELIEF FOR 1974 AND FOR JANUARY AND FEBRUARY OF 1975 (TO BE PAID OUT OF THE BUDGET FOR THE CURRENT INDIAN FY ENDING MARCH 31, 1975) WILL COST THE GOI AN ADDITIONAL RS.55 MILLION (APPROXIMATELY U. S. \$6.9 MILLION). THIS IS EXPECTED TO FORCE AN UPWARD REVISION OF PORT CHARGES.

4. COMMENT: THE STRIKE WAS PROBABLY A MISTAKE. SOMEHOW THE PLAN TO SETTLE THE DISPUTE AT THE LAST MOMENT MISFIRED. THIS IS SUGGESTED BY THE FACT THAT PRIOR TO THE STRIKE THE POSITIONS OF BOTH SIDES WERE NOT VERY FAR APART. THE UNIONS WERE NEVER ADAMANT ABOUT THE QUANTITY OF THE INTERIM RELIEF BUT INSISTED ONLY THAT THE PROMISED WAGE REVISION BE RETROACTIVE TO JANUARY 1, 1974. AS MENTIONED IN NEW DELHI 0792, THE LABOR MINISTRY BLAMED THE SHIPPING AND TRANSPORT MINISTRY FOR INEPTNESS IN HANDLING THE MATTER. PRIOR TO THE STRIKE AND DURING ITS FOUR DAYS, RELATIONS BETWEEN LABOR AND THE GOI (MANAGEMENT IN THIS CASE) WERE PARTICULARLY CONCILIATORY WHICH IS NOTEWORTHY GIVEN THE SERIOUS CONSEQUENCES OF THIS WORK STOPPAGE. WHETHER THIS ATTITUDE WOULD HAVE BEEN MAINTAINED IF THE STRIKE HAD CONTINUED CANNOT BE SAID. WHAT IS CLEAR, HOWEVER, IS THAT NEITHER PARTY WANTED A REPETITION OF LAST MAY'S RAIL STRIKE. A KEY DIFFERENCE BETWEEN THE TWO STRIKES IS THAT THE GOI ACCUSED THE LEADERSHIP OF THE RAIL STRIKE OF BEING POLITICALLY MOTIVATED, WHEREAS THIS WAS NEVER ASCRIBED TO THE LEADERS OF THE PORT STRIKE. MANY OF THEM, INCLUDING SOME OF THE LEADERS OF THE INDEPENDENT ALL INDIA PORT AND DOCK WORKERS' FEDERATION, ARE MEMBERS OF THE RULING CONGRESS PARTY. IN ADDITION, THE PORT WORKERS' DEMAND FOR A WAGE INCREASE WAS PROBABLY CONSIDERED MORE JUSTIFIED THAN THAT OF THE RAIL WORKERS. THE LABOR AGREEMENT FOR THE PORT WORKERS HAD EXPIRED ON DECEMBER 31, 1973, I. E., IT REVISION

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WAS A YEAR LATE, WHEREAS THE RAIL WORKERS WERE ONLY INTO THE SECOND YEAR OF THEIR WAGE AGREEMENT. WHILE THE DEFENSE OF INDIA RULES WERE INVOKED TO DECLARE THE PORT STRIKE ILLEGAL, THIS WAS PROBABLY A PRECAUTIONARY MEASURE IN THE EVENT THE STRIKE WAS PROLONGED. NO STRIKERS WERE ARRESTED FOR REFUSING TO OBEY THE BACK-TO-WORK ORDER.

SCHNEIDER

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